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September 16, 2002

VIA HAND DELIVERY

Marlene H. Dortch
Secretary
FEDERAL COMMUNICATIONS COMMISSION
445 Twelfth Street, SW
Washington, DC 20554

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SEP 16 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RE: WT Docket No. 02-234
EX PARTE PRESENTATION

Dear Ms. Dortch:

Today Jonas Neihardt of QUALCOMM Incorporated and the undersigned met with R. Paul Margie, Legal Assistant to Commissioner Copps, to discuss QUALCOMM's Auction Discount Voucher and the pending Petition for Waiver. Attached is a summary of the points raised at the meeting.

Respectfully submitted,

Veronica M. Ahern

Attachment

cc: R. Paul Margie

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QUALCOMM INCORPORATED

Proposal for Use of Auction Discount Voucher

- On June 8, 2000 the FCC granted QUALCOMM an Auction Discount Voucher totaling about \$125 million for use in any auction over the following three years, provided that the ADV be used for the further development and application of Code Division Multiple Access, QUALCOMM's pioneering technology.
- QUALCOMM transferred the entire ADV in Auction 35, but after the NextWave decision, received it back. QUALCOMM was eventually able to transfer about \$10 million in Auction 35, leaving a total of \$114.5 million.
- There is virtually no likelihood that there will be a CDMA-appropriate auction for several years.
- Many wireless companies still owe the FCC installment payments from early PCS auctions. Some of these use CDMA technology and are customers of QUALCOMM. Several have approached QUALCOMM about investment opportunities.
- Liquidity concerns plague the telecommunications industry, access to capital continues to tighten. Further bankruptcies can be expected.
- **PROPOSAL:** Allow the ADV to be used to retire existing FCC debt, including installment payments, interest and fees. Specifically, waive that part of the June 8 Order implicitly requiring use of the ADV in future auctions to allow transfer of all or parts of the ADV to CDMA-based companies for use in satisfying FCC debt incurred in auctions held prior to 2000. This investment in CDMA technology is entirely consistent with the award to QUALCOMM of a pioneer's preference.
- QUALCOMM has filed a Petition for Waiver asking the Commission to allow this use of the ADV and has requested Commission consideration on an expedited basis.
- QUALCOMM has consulted with OMB and certain members of Congress and has received informal encouragement that this use of the ADV for FCC debt retirement would not raise any budgetary scoring issues.
- Three parties have filed in support of the Petition for Waiver. No parties have opposed the Petition.
- QUALCOMM requests expedited action.